

Report of Head of Corporate Services

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To: Council

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Pay policy statement 2019-20

Recommendation

That Council approve the attached statement of pay policy for 2019-20.

Purpose of report

1. The Localism Act 2011 requires the council to produce and publish annually a pay policy statement. By approving the attached statement the council will discharge this responsibility.

Background

2. The purpose of the pay policy statement is to promote transparency on public sector pay, particularly in relation to remuneration of senior officers. Comparisons are also made with the remuneration of the lowest paid employees and with average salaries.
3. The pay policy statement must be approved by 31 March each year, by a meeting of the Full Council. The pay policy statement may be amended during the year by further resolution of the council.
4. Once approved, the pay policy statement must be published on the council website and by any other means that the council sees fit.
5. Because officers of each council are placed at the disposal of the other and their costs are shared, the pay policy statement attached has been drafted jointly with Vale of White Horse District Council.

Recommendation

6. Council is asked to approve the pay policy statement for 2019-20.

Background papers

None

Pay Policy Statement for 2019-20

INTRODUCTION

1. This is a joint statement of South Oxfordshire and Vale of White Horse District Councils.
2. The Localism Act 2011 requires each council to produce and publish annually a pay policy statement. The statement must be approved by 31 March each year, by a meeting of the Full Council, and must then be published on the council's website. The pay policy statement may be amended during the year by further resolution of the council.
3. The pay policy statement must as a minimum include details of the council's policy on:
 - the remuneration of its chief officers
 - the remuneration of its lowest-paid employees
 - the relationship between the remuneration of its chief officers and other officers.
4. For the purposes of the Localism Act 2011 and this statement, the term "chief officers" is defined by Section 2 of the Local Government and Housing Act 1989. For these councils, the term "chief officers" refers to the chief executive, heads of service, service managers, the head of paid service, the monitoring officer and the chief finance officer.
5. Chief officers may be employed by either council, and are placed at the disposal of the other by means of an agreement made under Section 113 of the Local Government Act 1972.

ORGANISATION STRUCTURE

6. A new officer structure was agreed during 2018-19 and is currently being implemented. Recruitment for vacant position will continue in 2019-20.

REMUNERATION OF CHIEF OFFICERS

7. Chief officers are paid a spot salary. The spot salaries which apply for the whole of 2019-20 after the increase of 2.7 per cent are as follows:
 - chief executive: £160,000.
 - heads of service: £94,596.

Service Managers will be paid on the joint council pay scale at grade 11.

- service managers: £53,216 to £65,932
8. Chief officers do not receive any performance-related pay or bonuses.
 9. The chief executive has been designated as the councils' head of paid service. No additional remuneration is payable for that designation.
 10. The head of finance has been designated as the councils' chief finance (section 151) officer. No additional remuneration is payable for that designation.
 11. The head of legal and democratic has been designated as the councils' monitoring officer. No additional remuneration is payable for that designation.
 12. The head of legal and democratic has been appointed as the councils' returning officer. In this role they receive additional remuneration, which varies from year to year. They may also employ other officers to support them in their work. Fees payable for district and parish council elections are agreed by each council. Fees for other types of election are agreed and payable by the government or other bodies such as Oxfordshire County Council.
 13. Chief officers do not receive overtime, on-call or stand-by payments, and do not receive additional payment for attendance at evening meetings. The chief executive, at their discretion, may make additional responsibility payments as required. The Head of Partnership and Insight will be in receipt of a responsibility payment for 2019-20 for acting as deputy to the chief executive.
 14. On recruitment of a new head of service within the current management structure, the gross base salary on recruitment will be the spot salary stated in paragraph 7, though this may be varied if an interim appointment is made.
 15. On recruitment of a new chief executive, the gross base salary will be determined by the Joint Staff Committee.
 16. In the event of a chief officer's post becoming redundant, any severance payment will be made on the same basis as to any other employee, according to the councils' organisational change policy. Other than any pension to which they are statutorily entitled, no other payments will be made to chief officers on their ceasing to be employees of the council unless in settlement of any dispute.
 17. Chief officers' contributions to the Local Government Pension Scheme (LGPS) are determined by their salary and by the rules of the scheme. For those who are members of the LGPS and paying contributions on the whole of their salary, heads of service currently pay 10.5 per cent of their salary into the scheme, while the chief executive pays 12.5 per cent. Service Managers who earn less than £53,500 will pay 6.8 per cent, those who earn between £53,501 and £64,600 will pay 8.5 per cent, those who earn above £64,601 will pay 9.9 per cent.
 18. No enhancements will normally be paid to chief officers' pensions other than in the event of a chief officer being offered early retirement on efficiency grounds, and only then with the approval of the Joint Audit and Governance Committee.

19. The councils will not re-employ a chief officer who has left their employment and is now drawing a local government pension, unless there are exceptional circumstances.

LOWEST-PAID EMPLOYEES

20. The lowest-paid employees are employed on full time [37 hours] equivalent salaries in accordance with the minimum spinal column point currently in use within the council's grading structure. As at 1 April 2019, this is £18,037 per annum. The chief executive's salary is thus 8.9 times the salary of the lowest-paid member of staff.

REMUNERATION OF CHIEF OFFICERS COMPARED WITH OTHER OFFICERS

21. Employees who are not chief officers are paid according to locally agreed pay scales, with annual increments paid subject to performance until the employee reaches the top of the scale. These pay scales will increase by 2.7 per cent with effect from 1 April 2019.

22. The Ministry of Housing, Communities and Local Government (MHCLG) published in February 2015 a code of recommended practice for local authorities on data transparency. This code of practice recommends publishing the "pay multiple", the ratio between the highest paid salary and the median average salary of the whole of the authority's workforce. For this council the median salary during 2019-20 will be £34,155 (based on current data). The pay multiple defined above is thus 4.7.